

"Marine insurance" § 1-101

"Policy" § 1-101

"Premium" § 1-101

"Reinsurance" § 1-101

"Surety insurance" § 1-101

5-206. GUARANTY FUND OR UNEARNED PREMIUM RESERVES FOR TITLE INSURANCE.

IN ADDITION TO ADEQUATE RESERVES REQUIRED BY § 5-201(B) OF THIS SUBTITLE FOR OUTSTANDING LOSSES, A TITLE INSURER SHALL MAINTAIN A GUARANTY FUND OR UNEARNED PREMIUM RESERVES OF AT LEAST AN AMOUNT COMPUTED AS FOLLOWS:

(1) 10% OF THE TOTAL AMOUNT OF THE RISK PREMIUMS WRITTEN IN THE CALENDAR YEAR FOR TITLE INSURANCE CONTRACTS SHALL BE AS ASSIGNED ORIGINALLY TO THE RESERVES; AND

(2) THE RESERVES APPLICABLE TO A CONTRACT SHALL BE REDUCED BY 5% OF THE ORIGINAL AMOUNT OF THE RESERVES DURING EACH OF THE 20 YEARS THAT FOLLOW THE YEAR IN WHICH THE CONTRACT IS ISSUED.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 48A, § 81.

Defined terms: "Insurer" § 1-101

"Premium" § 1-101

"Title insurance" § 1-101

SUBTITLE 3. STANDARD VALUATION LAW.

5-301. VALUATION OF RESERVES REQUIRED.

(A) IN GENERAL.

(1) (I) SUBJECT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH, THE COMMISSIONER ANNUALLY SHALL VALUE OR CAUSE TO BE VALUED THE RESERVES FOR ALL OUTSTANDING LIFE INSURANCE POLICIES, ANNUITY CONTRACTS, AND PURE ENDOWMENT CONTRACTS OF EACH LIFE INSURER DOING BUSINESS IN THE STATE.

(II) FOR AN ALIEN INSURER, THE VALUATION REQUIRED BY THIS SECTION SHALL BE LIMITED TO THE ALIEN INSURER'S UNITED STATES BUSINESS.

(2) THE COMMISSIONER MAY CERTIFY THE AMOUNT OF RESERVES VALUED UNDER THIS SECTION, SPECIFYING THE MORTALITY TABLES, RATES OF INTEREST, AND METHODS USED TO CALCULATE THE RESERVES.

(B) GROUP METHODS AND APPROXIMATE AVERAGES.